GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5053
ANSWERED ON:31.03.2017
Settlement of Insurance Claims
Verma Shri Anshul

Will the Minister of FINANCE be pleased to state:

(a) whether the insurance companies do not consider death certificates as sufficient and demand many other papers at the time of settling insurance claims;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government proposes to issue instructions to the insurance companies to take action on settlement of insurance claims after death certificate is presented by the nominees/family members; and

(d) if so, the reaction of the Government thereto?

Answer

Minister of State in the Ministry of Finance

(a) to (d):Insurance Regulatory and Development Authority of India's IRDA (Protection of Policyholders' Interests) Regulations, 2002 stipulate the claims procedure in respect of a life insurance policy. To monitor the claims settlements by the insurers, IRDAI collects and reviews the claim settlement data from the insurers on quarterly basis.

As per Insurance Regulatory and Development Authority of India (IRDAI), insurers require the policy document, a claim application and death certificate of the life insured for settlement of normal death claims. In case of early death, where death takes place within a short period, normally two years from the commencement of the policy or death claims due to accidents, certain additional documents such as Post Mortem Report, First Information Report (FIR), Panchanama, Certificate of Cremation, Employer Certificate, Legal Heir Certificate where there is no nomination or will, may be required for settling the claims, depending on circumstances of individual claim cases as well as on the insurer's claim settlement policy.

(a) to (d):